

**FBIS****DAILY REPORT  
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Vol I No 001

2 January 1987

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LI XIANNIAN GREETS KIM IL-SONG ON REELECTION

0W020100 Beijing Domestic Service in Mandarin 2230 GMT 30 Dec 86

[Text] According to a XINHUA report, President Li Xiannian yesterday sent a message to DPRK President Kim Il-song, congratulating him on his reelection as DPRK president. The message says:

President Kim Il-song: I am glad to learn that you have been reelected DPRK president. On behalf of the Chinese Government and people and in my own name, I wish to extend my warmest congratulations to you. Your reelection once again shows the Korean people's high trust and hearty love and esteem for you. I wish that the fraternal Korean people, under your leadership, will continue to make new achievements in building socialism [jian she she hui zhu yi] and in the struggle for the independent and peaceful reunification of their country. I wish the DPRK prosperity. I wish that the great friendship of the Chinese and Korean people, which was cemented with blood in protracted revolutionary struggle, will be evergreen.

ZHAO ZIYANG GREETS NEW NORTH KOREAN PREMIER

0W020206 Beijing Domestic Service in Mandarin 2230 GMT 30 Dec 86

[Text] According to a XINHUA report, Premier Zhao Ziyang yesterday sent a message to Premier Yi Kun-mo of the DPRK State Administration Council, congratulating him on his election as premier. The message says:

Premier Yi Kun-mo: As you assume the premiership of the DPRK State Administration Council, I wish to extend warm congratulations to you on behalf of the Chinese Government and in my own name. I wish you greater achievements at your post. I wish that the great friendship of the Chinese and Korean people will be continuously strengthened and developed.

SPOKESMAN NOTES 'CONCERN' FOR JAPAN DEFENSE BUDGET

0W020906 Beijing XINHUA in English 0858 GMT 2 Jan 87

[Text] Beijing, January 2 (XINHUA) -- There has to be a limit to the growth of Japanese defense forces, which should not exceed its defense needs and make its neighbors feel uneasy, a Chinese Foreign Ministry spokesman said here today.

Asked to comment on the report that Japanese military expenditure this year would exceed the limit of one percent of the country's gross national product (GNP), the spokesman said "We express our concern over this development."

"For reasons known to all," he said, "Asian countries have all along been very sensitive to the Japanese Government building up its military strength."

"We hope that the Japanese Government will draw on the historical lesson in earnest on this issue," he added.

SRV-CAMBODIA WAR DAMAGES ECONOMY; PULLOUT URGED

OW271648 Beijing XINHUA in English 1621 GMT 27 Dec 86

["Commentary: Occupation of Kampuchea Harmful to Economic Development by Mei Zhenmin"  
-- XINHUA headline]

[Text] Beijing, December 27 (XINHUA) -- The Sixth National Congress of the Communist Party of Vietnam has mapped out its plan for economic and social reform, but past history has shown Vietnam cannot possibly revitalize its economy while it doggedly persists in occupying Kampuchea.

The eight-year occupation has brought Vietnam to the verge of bankruptcy. It is mind boggling to consider that such an economically backward country, with a population of 60 million, maintains one million regular troops and 500,000 reserve forces that spend over half the country's annual revenue. The manpower, material and financial resources left for economic development are few and far between. For example, the agricultural industry depends mainly on women. Farm equipment and daily necessities are hard to obtain in the countryside. Previously famous for its fertile soil and rice export, Vietnam now imports up to 400,000 tons of rice annually. As for the country's small industries, less than 50 percent are in use. The decline in industry and agriculture and shortage of living necessities have resulted in skyrocketing prices with inflation soaring at 700 percent. The monthly wage of an ordinary worker can buy only one shirt, one kilogram of pork or 10 kilograms of rice. Clearly the continued occupation of Kampuchea will further plunge the Vietnamese people into hardship.

In addition, the occupation has isolated Vietnam internationally. The United Nations General Assembly has condemned Vietnamese aggression and most countries refuse to have any relations with Vietnam. This international sanction is more severe and thorough than that against South Africa or Israel. How then, can Vietnam develop trade and revive its economy? The only country that provides huge assistance to Vietnam is the Soviet Union, which has promised to give more economic aid. In return Vietnamese workers toil in Siberia to pay back the "Soviet favor".

The unjust invasion and occupation has also damaged Vietnamese morale nationwide. Tired of war in a foreign independent nation, Vietnamese soldiers have lost the traditional unity of purpose that successfully expelled United States soldiers during the Vietnam War. Desire for regional hegemony has brought infamy to the Vietnamese nation. The degeneration of moral and spiritual principle as well as corruption and bribery have disrupted the national economy and hampered Vietnamese fighting in Kampuchea.

Socialist countries demanding economic reform need correct policies and a solid economic foundation. Failure to readjust prices, wages and currency in September, 1985 showed a basic lack of foundation for Vietnamese economic reform. Vietnam cannot change its economy fundamentally without withdrawing from Kampuchea. As well, Vietnam cannot win its war against Kampuchea even with extended military deployment and a puppet regime in Phnom Penh. Its attempt to wipe out the Kampuchean people has long since become the laughing-stock of the international community. Strong resistance from the Democratic Kampuchean National Army is increasing in strength.

Vietnam is caught between its ambition and its inability to enlarge the scale of war in Kampuchea because of the havoc it would reak on the domestic economy. The only way out for Vietnam is complete withdrawal from Kampuchea. War of aggression cannot coexist with economic construction. It has proven true in the past eight years since Vietnam invaded Kampuchea. It will continue to be true in the future.

WU XUEQIAN GREETS PAKISTAN FOREIGN MINISTER

OW241641 Beijing XINHUA in English 1613 GMT 24 Dec 86

[Text] Beijing, December 24 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian gave a banquet for Pakistan Foreign Minister Sahabzada Yaqub Khan and his party here tonight.

In their toasts, both Wu and Yaqub Khan praised the sino-pakistan friendly relations and cooperation and expressed the belief that such relations will continue to expand with the joint efforts.

Wu said Pakistan, in its efforts to develop good-neighbourly and friendly relations with its neighbouring countries and promote regional cooperation, has made positive contributions to promoting peace, stability and development in that region, adding that "we deeply appreciate all this."

He also spoke highly of the Pakistan Government and people for their unswerving efforts to seek a just settlement to the Afghan question and relieve the sufferings of the three million Afghan refugees.

Wu said that the questions of Afghanistan and Kampuchea cannot be settled unless the relevant U.N. resolutions are unconditionally observed, accompanied by an early withdrawal of all foreign troops from these two countries, and the restoration in the full sense of the word to Afghanistan and Kampuchea of the independent, neutral, and non-aligned status, so that the Afghan and Kampuchean peoples may take their destinies into their own hands.

Yaqub Khan said hallowed by time, friendship between Pakistan and China is destined to acquire dimensions in the years to come.

He said Pakistan adheres to its principled stand on the Afghan question and makes unremitting efforts to seek a peaceful and just political settlement of this question.

"We support the Kampuchean people's struggle for national independence under the leadership of Coalition Government of Democratic Kampuchea headed by Samdech Norodom Sihanouk and fully support the General Assembly's repeated calls for the withdrawal of all foreign troops from Kampuchea," he added.

Yaqub Khan arrived here this afternoon at the invitation of Wu Xueqian.

#### Foreign Ministers Hold Talks

OW251222 Beijing XINHUA in English 1217 GMT 25 Dec 86

[Text] Beijing, December 25 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian held talks for five hours here today with Pakistan Foreign Minister Sahabzada Yaqub Khan on international and regional issues of common interest.

According to sources from Chinese Foreign Ministry, both ministers agreed that the key to the political settlement of the Afghan issue lies in the withdrawal of the Soviet troops from Afghanistan. They urged the Soviet Union to announce a reasonable timetable for the withdrawal of its troops.

Both stressed that Afghanistan's internal affairs should be settled by its own people, the same sources added.

## Meets Zhao Ziyang

OW261456 Beijing XINHUA in English 1447 GMT 26 Dec 86

[Text] Beijing, December 26 (XINHUA) -- Chinese Premier Zhao Ziyang told the visiting Pakistan foreign minister here today that he expected to visit Pakistan next year.

While meeting with Pakistan Foreign Minister Sahabzada Yaqub Khan, Zhao said the frequent exchange of views on issues of common interest between the two countries shows their friendly and close relations.

China and Pakistan are mutually trusted friends. China will, as always, support Pakistan's just struggle for safeguarding national independence, state sovereignty and territorial integrity, he said.

Zhao said China hopes to see peace and stability in the Southeast Asian region and the improvement of the relations between Pakistan and India.

He appreciated Pakistan's efforts to ease and improve its relations with India.

Yaqub Khan said the Pakistan Government and people are looking forward to premier Zhao's visit to Pakistan.

Tomorrow, he said, will be the seventh anniversary of the armed conquest of Afghanistan by a super power.

Yaqub Khan stressed that on the Afghan issue Pakistan adheres to the principled position that the Soviet Union must withdraw its troops from Afghanistan and that the future of Afghanistan must be decided by its own people.

Zhao appreciated Pakistan's principled stand on that issue.

He said: "Whether the Soviet Union will give up its policy of aggression against Afghanistan, we should not only listen to its words but also observe its actions. It is a test to the Soviet Union whether it will withdraw its troops from Afghanistan as soon as possible."

Ends Visit

OW292044 Beijing XINHUA in English 1534 GMT 29 Dec 86

[Text] Beijing, December 29 (XINHUA) -- Pakistan Foreign Minister Sahabzada Yaqub Khan and his party wound up their goodwill visit to China and left here for home tonight.

The Pakistan visitors toured Xiamen, a special economic zone in southeast China's Fujian Province, on December 27 and 28.

HU YAOBANG MEETS AUSTRIAN COMMUNIST CHAIRMAN

OW181244 Beijing XINHUA in English 1233 GMT 18 Dec 86

[Text] Beijing, December 18 (XINHUA) -- Top leaders of the Chinese Communist Party (CPC) and the Communist Party of Austria today expressed the common desire to further develop their friendly relations.

At a meeting with Franz Muhri, chairman of the Austrian Communist Party, CPC General Secretary Hu Yaobang said he was glad to see the growth of the cooperative relations between the two parties.

Muhri said his current visit has brought the relations between the two parties to a new stage. He hoped that the two parties would keep up contacts to further develop their relations.

During his stay here, Muhri held talks with Zhu Liang, head of the CPC Central Committee's International Liaison Department and visited Shanghai and Hangzhou. He is leaving for home tomorrow.

SONG JIAN MEETS BELGIAN SCIENCE ADVISER

OW181132 Beijing XINHUA in English 1103 GMT 18 Dec 86

[Text] Beijing, December 18 (XINHUA) -- Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, met here today I. Prigogine, science advisor to the Belgian king.

Prigogine is a Nobel Prize winner for chemistry, a professor at the Free University of Brussels, Belgium, and founder of the dissipative structure theory.

He arrived in Beijing December 16 for a lecture tour of China as guests of the Chinese Academy of Sciences.

Since 1978, he has been an academic advisor to several Chinese students studying for doctorate degrees.

FORMER BRITISH PRIME MINISTER VISITS JIANGSU

OW212114 Beijing XINHUA Domestic Service in Chinese 1614 GMT 18 Dec 86

[By reporter Fei Qiang and Yu Jiafu]

[Excerpts] Nanjing, 18 Dec (XINHUA) -- Accompanied by Vice Chairman of the CPPCC National Committee Fei Xiaotong, former British Prime Minister James Callaghan toured Jiangsu's Huaiyin, Yangzhou, and Wuxi by helicopter in the rain between 16 and 18 December. Callaghan and his party arrived in Jiangsu from Beijing on 15 December. [passage omitted]

After the tour, Callaghan told the Chinese officials who were accompanying him that he had seen from Chinese leaders, peasants, and workers their confidence in the future, and that he was optimistic about the future development of Chinese countryside. [passage omitted] Members of Callaghan's party included bankers of the International Commercial and Credit Bank.

Callaghan and his party left Wuxi for Shanghai this afternoon. They will depart Shanghai for Hong Kong tomorrow.

XINHUA 'ROUNDUP' OF POLAND'S INTERNAL SITUATION

0W131533 Beijing XINHUA in English 1431 GMT 13 Dec 86

[("Roundup: Poland's Internal Situation Improves (by Wen Youren)" -- XINHUA headline]

[Text] Warsaw, December 13 (XINHUA) -- Both economic and political conditions have improved in Poland since the end of 1981, when martial law was imposed during the most critical domestic crisis of the post-war period.

In the early 1980s, Poland's economy was on the verge of collapse, due to the Solidarity labor unrest and the ensuing Western economic sanctions.

National income fell 25 percent between 1978 and 1982; during the same period, industrial output dropped 10 percent and farm production 20 percent. Food supply was not meeting demand. All these factors combined to plunge Poland into social chaos that threatened the government.

The Polish Government responded to the crisis by imposing martial law in December 1981 as the only way to turn the economy around and control social unrest.

In 1982, the government embarked on its three-year economic stabilization program.

Meanwhile, the government started restructuring the economy.

In the past five years, the Polish [words indistinct] building a legal base for the reform.

As a result of three-year economic stabilization efforts, Poland's economy recovered steadily and attained most of the goals set forth in the plan:

The national income grew 15.7 percent, industrial output 16 percent, agricultural production 10 percent and per capita consumption 13 percent.

This year, the economic picture is even brighter. The industrial output value is expected to be eight percent higher than in 1982, a watershed in Poland's recent past. Grain harvests have also registered record highs.

In September, the Polish Government sanctioned the opening of free meat markets, easing the long queues and chronic shortages at state stores.

The stronger economy has been a stabilizing force for the government as it has lent greater credibility to state policies.

In a show of confidence, the government released all 225 political prisoners in September, including former Solidarity leaders Zbigniew Bujak, [words indistinct].

The Polish National Alliance of Trade Unions, established in [word indistinct] replace the outlawed Solidarity, has grown tremendously in the last two years and is playing a greater role in the democratization of Poland. It now claims a membership of nearly seven million laborers belonging to 133 national trade federations, more than half of the country's total workforce. However, many problems persist. While the national economy is recovering, its 1986 gross national income is still eight percent lower than 1978's. And if the rapidly expanding population is figured in, the country's per capita income is even lower -- about 14.3 percent lower -- than in 1979.

The development of livestock raising is still unsatisfactory. The state-run butcher shops must ration meat, limiting each person to 2.5 kilograms each month.

Poland's foreign debts have not stopped piling up, reaching 31.3 billion U.S. dollars (interest included) this year, keeping pace with the budget deficit, which is expected to reach some 750 million U.S. dollars.

Remnants of the underground Solidarity Movement and other opposition forces are still active and refuse to cooperate with the government. Quite a few citizens remain skeptical of state policies and indifferent to their work, resulting in low productivity.

Moreover, it was not that everything went well in the economic reform due to obstacles, domestic and international. Government leaders admit that they were "over-optimistic about an early accomplishment of economic balance," which actually was "far more difficult than expected and would take much longer time."

The 10th Party Congress, which ended in July, decided to go ahead with the economic reform's second phase, the result of which will most likely determine the future stability of Poland's political and social situation.

#### PRC, YUGOSLAVIA WILL EXCHANGE GOODS, TECHNOLOGY

OW190755 Beijing XINHUA in English 0632 GMT 19 Dec 86

[Text] Belgrade, December 18 (XINHUA) -- China and Yugoslavia have agreed to an exchange of goods, equipment and technological experts.

The two countries agreed to cooperate in science, technology and industry, sending experts to each other's countries. They plan to have joint industrial ventures.

China is interested in purchasing beer and fruit juice production lines and in importing maize hybridization processing equipment from Yugoslavia, according to a summary signed at the fifth session of the Sino-Yugoslav Committee for Agricultural and Food Industrial Cooperation which ended here today.

Possibilities in agricultural cooperation were also discussed at the session, the summary added.

China will import chicken raising, processing and freezing equipment from Yugoslavia on the basis of balanced goods exchange.

Yugoslavia will purchase breeding pigs and import wheat seeders from China, the summary said.

NUCLEAR SUB SETS RECORDS ON FIRST TRIP

OW010454 Beijing XINHUA in English 0133 GMT 1 Jan 87

[Text] Beijing, January 1 (XINHUA) -- A nuclear submarine of the Chinese Navy has just completed its first training voyage, sources here have disclosed.

Its submerge time and speed as well as its distance of cruise were record high for the Navy, XINHUA was told.

The "PEOPLE'S DAILY" and other leading newspapers here today frontpaged a photo of the nuclear submarine, which was designed and built entirely by China itself and its now in active service.

PRESIDENT LI XIANNIAN ATTENDS SOIREE IN SHANGHAI

OW311808 Beijing XINHUA Domestic Service in Chinese 1442 GMT 31 Dec 86

[Text] Shanghai, 31 Dec (XINHUA) -- Li Xiannian, member of the Standing Committee of the CPC Central Committee Political Bureau and president of the People's Republic of China, attended a cultural soiree to celebrate the new year in Shanghai yesterday evening. Also attending yesterday's cultural soiree were Cheng Zihua, member of the Standing Committee of the Central Advisory Commission and vice chairman of the CPPCC National Committee, and Liu Jingji and Wang Enmao, vice chairmen of the CPPCC National Committee.

The participants warmly applauded President Li Xiannian as he entered the hall. Li Xiannian; responsible comrades of the party, government, and Army in Shanghai; and other well-known personages Li Xiannian cordially received noted performers including Bai Yang, Qin Yi, and Wang Wenjuan. He asked them about their work and living conditions and wished them new successes in developing China's cultural and art work and in cultivating new artists.

Cultural workers performed Beijing opera, Shaoxing opera, Kunqu opera, and other interesting programs at the soiree. Following the performances, President Li Xiannian gladly greeted the performers and had pictures taken with them. Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, and Jiang Zemin, deputy secretary of the Shanghai Municipal CPC Committee and mayor of Shanghai, accompanied President Li Xiannian at the performances.

NO THREAT OF NEW 'CULTURAL REVOLUTION' SEEN

HK011426 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1150 GMT 1 Jan 87

[Article by reporter Zhao Wei (6392 0251): "CPPCC National Committee Vice Chairman Lei Jieqiong Says That a Repetition of the 'Cultural Revolution' Upheaval on the Mainland Is Now Impossible"]

[Text] Beijing, 1 Jan (ZHONGGUO XINWEN SHE) -- In an interview with this reporter at her home on New Year's Eve, CPPCC National Committee Vice Chairman Lei Jieqiong said: Despite student demonstrations taking place in several areas, a repetition of the "Cultural Revolution" upheaval on the mainland is now impossible.

This reporter asked Lei Jieqiong to give her views on the recent student demonstrations. Madame Lei Jieqiong said: For young students who are concerned about state politics to voice their views through demonstrations is in line with the Constitution. But some people have prompted certain slogans that are against the Constitution. Still others have gone to the streets smashing cars and shops; forcing their way into newspaper offices, radio stations, and government organs; interrupting traffic; interfering with factory production; and affecting people's lives. This has gone beyond what is permitted by law. The act is therefore wrong and should of course be criticized. For example, some students of Beijing Normal College showed up at midnight at Beijing University, Qinghua University, and other schools making a loud cry for "freedom." Their "freedom" disturbed other people's freedom of rest and of study. This is not permitted by law.

Touching on Beijing's recent promulgation of tentative regulations governing demonstrations and marches, Lei Jieqiong contends that this is a manifestation of the continuous perfection of our country's legal system. This legal expert said: Our Constitution has provided for citizens' "freedom of demonstration," but says nothing about the procedure to exercise such a right. Therefore, various local legislative bodies can, in light of actual social conditions, formulate some rules and regulations, so long as they are not incompatible with the Constitution. Other countries in the world also have many similar laws and regulations.

This reporter asked: Before the promulgation of these regulations, was it considered illegal for some students to hold demonstrations in the street?

Lei Jieqiong said: If it is just a demonstration, then it cannot be considered illegal. There were some demonstrations in Beijing before. They were also not regarded as violations of the law.

Finally Lei Jieqiong discussed her view of the current situation in China. This reporter asked her whether the students' activities would lead to a turmoil similar to that of the "Cultural Revolution."

Lei Jieqiong said: In my opinion, people in the mainland are now longing for a stable environment. Therefore the social condition for turbulence does not exist. Above all, the authorities are taking a policy of education and persuasion, which will never deteriorate the situation.

This over 80 year old scholar said, smiling: I personally took part in some "student demonstrations" when I was young. Our country was then facing a critical moment and the government was corrupt and inefficient. Students who were indignant about the situation rose to the call to save the country. But the government suppressed the students by using fire hoses and machine guns. The case is completely different today. The situation is now stable. The government has made it clear that it is striving for a highly developed civilization and a high degree of democracy. It just criticizes and educates those students who have been involved in some improper activities. Only a small number of people who have violated the law have been penalized according to the law. What is more, we must be aware that most young students love the country. They will no longer be influenced by others to do wrong when they are convinced of the truth. Therefore, I am sure that the situation will not be aggravated, let alone lead to a turmoil like that which occurred during the "Cultural Revolution."

But she also pointed out: Although the political and economic situation has improved in the mainland, it is not fully satisfactory.

Still there are many difficulties and problems which must be solved step by step through concerted efforts rather than demonstrations.

With regard to the process of democratization in the mainland, Madame Lei Jieqiong said the process of democratization takes time to complete. It must go along with political, economic, and social development. So long as our people are still suffering from poverty and ignorance, democracy can hardly be realized. Since it has taken Western countries a long time to establish democracy, we cannot on our part accomplish a high degree of socialist democracy in one move, nor can we reach our goal by simply shouting slogans and demonstrating.

#### EDITORIAL VIEWS RECENT STUDENT DEMONSTRATIONS

HK010313 Hong Kong TA KUNG PAO in English 1-7 Jan 87 p 2

["The Past Week" column]

[Text] Reflections on Student Marches [subhead]

What made the recent wave of student demonstrations in China seem mild by comparison with the violence accompanying student protest marches in other capital cities around the world was eminently the fact that what the Chinese students wanted, i.e., more freedom and democracy coincided basically with an irrevocable decision made by the CPC six years ago.

But it wasn't until July 1986 that the outside world had any inkling of what the CPC had in mind for the country's political shakedown.

During an interview with the visiting editor of a Yugoslav journal, Premier Zhao Ziyang broached the subject by saying that the Chinese Government was bound to undergo far-reaching changes as a result of the economic reform. These changes, he said, will come step by step and will affect the present system of government institutions as well as the cadre system. 'Without reform, it will be impossible for these fields to meet the requirements of the economic restructuring.'

The past six years have certainly added substance to the dire need to overhaul what Deng called the country's leadership system which was the subject of an important speech he made at an enlarged session of the CPC Political Bureau held in August 1980.

It might be useful at this stage to recapitulate some of the things Deng said then about China's political ailments for an appreciation of the official Chinese acknowledgement of the good intentions among the recent protest marchers.

The bureaucratism we suffer from is not only different from the type China has had in the past. It is also different from the type found in capitalist countries. Ours is closely related to the longstanding notion that the socialist system and the planning system must have a high degree of control over the economic, political and cultural aspects of society. Our leading organs at all levels have taken into their fold matters which are none of their business. They have not managed these matters well and, indeed, how can they?

Or a passage like this:

The slogan of strengthening the Party's unified leadership has resulted in the excessive concentration of power, inappropriately and indiscriminately, in the Party Committee which, in turn, concentrates its power in the secretaries, particularly the first secretary, who takes command and sets the tune for everything. In the end, unified Party leadership is reduced to nothing but the leadership of a single person.

Conceivably, the elapse of six years before the sensitive issue of political reform became a topic of public discussion was due to the overwhelming task of launching the economic reform which blossomed in the rural areas on a nationwide scale in 1982 and spread to the cities in 1984.

However, the economic reform has already induced some important political moves that big under the walls of the old institutions. The earliest of these was the decision made in 1980 to end life tenure hitherto enjoyed particularly by high officials. And this year is on record for the enactment of legislation that separates the powers of enterprise directors from the Party secretary, with emphasis on the former's management authority. Of equal, if not greater significance was the extension of the '100 schools of thought contend' policy, formerly restricted to academic issues, to the realm of politics, including the formulation of key policies.

All such developments have contributed to the much more democratic climate which prevails in China today as compared with even the 'good early 50s'.

#### Futile Speculations [subhead]

From the start, the interest of outside watchers of the recent student unrest had centred on the baffling question: did it have official backing and, if so, from what quarter? Some analysts suggested that the marches might have been 'encouraged by the reformist leadership to demonstrate mass demand for democratization'. On the other hand, others have examined the possibility that 'anti-reformists might also be playing a role in supporting the demonstrations to embarrass the leadership and illustrate the threat that liberalization may lead to escalating political demands'.

In view of the spontaneity of the demonstrations, it would seem that speculations in both these directions were futile.

Wisdom was shown by the authorities in refraining from making a single arrest from among the marching students as well as in their readiness to correct mistakes whenever possible.

It is recalled that the chain of protest marches was sparked by students of the University of Science and Technology in Hefei, Anhui province, who became angry because they were not consulted about their appointed 'representatives' to the provincial people's congress [PPC]. Actually, officials of Hefei city even welcomed the demonstrations, which occurred without incident. It wasn't long before the university authorities yielded to the students' demand. The Anhui PPC election scheduled for 8 December was postponed to a later date in December and the students will be allowed to nominate candidates.

It is not difficult to see the national ramifications of a development of this kind which, to all intents and purposes, should help the pace of democratization.

For quite a different reason, the march staged by students of Beijing Qinhua University on 23 December was actually prompted by a piece of misinformation broadcast by VOA which claimed that 200 students had been beaten up in Shanghai.

It would seem in this case that the students were misled as a result of the lack of domestic coverage which gave foreign media a free hand.

Of course, it is a different matter for extremist students to take to the streets and disturb public order in violation of the recently announced regulations, in which case they will face prosecution.

The question might well be asked in connection with the latest illegal night march staged by a small number of students of the Beijing Teachers University: had not their disturbing the peace in other universities in wee hours of the morning, and at examination time, infringed on the human rights of others?

#### RETURNED OVERSEAS CHINESE CRITICIZE DEMONSTRATORS

OW021042 Beijing Domestic Service in Mandarin 2230 GMT 1 Jan 87

[Text] On 31 December 1986 the All-China Federation of Returned Overseas Chinese invited some returned Overseas Chinese and their family dependants in Beijing to attend a forum. All participants in the forum voiced their common desire for the motherland's prosperity, stability, and unity.

Hong Sisi and Zheng Shengren, who resided abroad for years, exposed the sham nature of capitalist democracy. Hong Sisi said: Over the past few years China has been permeated with an increasingly dense atmosphere of democratic politics. Heated disputes over differing opinions have been common. This is an encouraging phenomenon. An Overseas Chinese residing in Australia recently came to China and stopped over in Shanghai. When he saw students staging demonstrations he said in distress: Even in such a fine environment as China, these people still insist on agitating. They really do not know how to appreciate their happy days.

Li Chenghao, senior engineer of China Auto Industry Corporation and a former student in the United States, concluded that socialism is superior to capitalism. He said: Are some students craving U.S.-styled freedom? U.S. society also permits freedom within the scope of the law. Whoever oversteps the limits permitted by the law is offending the law and will be fined or convicted. In the United States demonstrators must apply for a permit first, with demonstration routes stipulated. Demonstrations without approval are illegal.

Yu Xingyuan of the China Nonferrous Metal Industry Corporation, an Overseas Chinese returned from the Netherlands, said: There is no absolute democracy or absolute freedom. Democracy must have limits. It is necessary to uphold the four cardinal principles. A country as large as ours would be in disarray without political stability and unity. The handful of people who are creating disturbances among the students have their own ulterior motives.

Both Zhang Guoji and Lei Jieqiong, who joined students' movements before liberation, talked about the different purposes of students shouting slogans in those days and today. Zhang Guoji said: Today's students were born in the new society and do not understand history. It is necessary to help most of them straighten out their muddled thinking and track down a few whose actions have violated the Constitution so as to investigate and affix responsibility.

Lei Jieqiong, a legalist, said: The excellent situation in China does not mean there leaves nothing to be desired. However, the existing questions cannot be solved by posting big-character posters or staging demonstrations.

Li Tiezheng, honorary professor of the Foreign Affairs College, who lived abroad for more than 20 years, said: Some people propose total Westernization. What are the advantages of total Westernization? There is no country in the world where freedom means indulgence. The Chinese people must have a national consciousness. Proposing total Westernization is actually opposing the dictatorship of the proletariat.

PAPER VIEWS LINKING PRC DEMONSTRATION WITH TAIWAN

HK010612 Hong Kong SOUTH CHINA MORNING POST in English 1 Jan 87 pp 1, 2

["Comment" column by Nina McPherson and Terry Cheng: "Warning Strikes More Serious Note"]

[Text] China's accusation that Taiwanese agents have infiltrated student demonstrations makes any participants vulnerable to the most serious crime of being a counter-revolutionary.

Counter-revolutionaries, defined by the Chinese Government as "those individuals who incite others to resist arrest or violate the law and statutes of the state", are not considered political prisoners and are stripped of their political and civil rights under Chinese criminal law.

Since China's Law of Criminal Procedure came into effect in January 1980, people detained for expressing their opinions during the past few years have been charged as "counter-revolutionaries".

The articles dealing with counter-revolutionary offences were used by the Government to clamp down on the dissident writers who took part in the 1978 democracy movement known as "Beijing Spring".

Last week in Shanghai, angry student demonstrators recalled the fate of one of their predecessors in the "Beijing Spring" with a street banner that said: "If you want to know about democracy, go ask Wei Jingsheng."

Wei, the best-known dissident in China, was arrested in 1979, two days after Beijing Municipality banned all wall posters and publications "opposed to socialism an the leadership of the Communist Party".

He was sentenced to 15 years in jail.

The charge that convicted him was that he had passed "military information" to foreign journalists in Beijing.

But while yesterday's warnings were directed at students who are said to be preparing for a New Year's Day demonstration today, they also sent an ominous message to foreigners.

Although the warnings did not specify it, the "certain foreign radio station" is generally interpreted to mean the Voice of America, an American Government station closely monitored by students as one of the main sources of information when the official media failed to report the protest marches.

This could put foreign media covering the student demonstrations in jeopardy.

Taiwanese representatives in Hong Kong denied any involvement by the Taipei government.

They believed the demonstrations were spontaneous.

However, by attempting to put the blame on Taiwan, the communist authorities have complicated the issue.

#### STUDENTS GREET NEW YEAR WITH CULTURAL ACTIVITIES

0W311737 Beijing XINHUA in English 1654 GMT 31 Dec 86

[Text] Beijing, December 31 (XINHUA) -- College students in metropolises of Beijing, Shanghai, Tianjin and Guangzhou have held diverse cultural activities on the eve of the new year, according to reports from these cities.

Students at Beijing University staged modern plays and held get-together activities, including ballroom dancing and singing. Foreign students there were invited.

This evening saw students at six colleges and universities in Shanghai enjoying soirees or ballroom dancing. More than 200 students at the China Textile Engineering Institute organized a new year English soiree, during which they guessed riddles, made dialogues, recited poems and sang songs in English.

Today is the last day of the cultural and artistic week at the Shanghai Foreign Languages Institute, with all the 2,400 students participating. Activities included singing contests, exhibitions of stamps, calligraphy, paintings and photos, and chess games.

Some 1,000 students at the Tongji University attended a ball, while the other 7,000 students played table tennis, went skating and organized other cultural activities.

In addition to dancing, students at the neighboring Fudan University held parties in their bedrooms to greet the new year.

Tianjin college students are busy preparing for the final examinations. Zhou Xiaowei, a third year student of thermal physics, told the reporter: "The final examination is a test of what we have learned during the term." "The major task of the students is to study. So if we failed in the exam, we'll not be able to live up the expectations of the motherland and our own parents," he added.

In Guangzhou, capital of Guangdong Province, south China, students at the Guangzhou Foreign Languages Institute Monday attended parties, during which they sang songs in different languages.

Yesterday some students at the Zhongshan Medical College held a new year party in the college auditorium, while others preferred studying in classrooms and reading rooms.

WANG ZHEN SCORES BOURGEOIS LIBERALIZATION

OW312225 Beijing XINHUA Domestic Service in Chinese 1432 GMT 31 Dec 86

[Text] Beijing, 31 Dec (XINHUA) -- Wang Zhen, vice chairman of the Central Advisory Committee and president of the CPC Central Committee Party School, said today that the important speech made by Comrade Deng Xiaoping on 30 March 1979 regarding adherence to the four cardinal principles has a profound and significant relationship to the current efforts to oppose bourgeois liberalization and promote a stable and unified political situation. We must seriously study and firmly implement the guidelines of the speech.

The CPC Central Committee Party School this afternoon held a meeting to greet the new year; Wang Zhen delivered a speech. He pointed out: In the above-mentioned speech, Comrade Deng Xiaoping has thoroughly explained to us the importance of adhering to the four cardinal principles in order to realize the Four Modernizations, and refuted the erroneous ideological trend of negating the four cardinal principles and practicing bourgeois liberalization. Wang Zhen said: Recently, some people have stopped paying attention to adhering to the socialist road, to the dictatorship of the proletariat, to the leadership of the Communist Party and to Marxism-Leninism and Mao Zedong Thought. They advocate bourgeois liberalization and say that democracy means "no one is afraid of anybody." They are completely wrong. We must wage a resolute struggle against those people and things which openly negate the four cardinal principles.

Wang Zhen said: While our party has emphatically pointed out that we cannot realize the Four Modernizations without socialist democracy, our party has also stressed that the implementation of socialist democracy must be systematic and based on the law. Democracy without socialist legal system is by no means socialist democracy. We must vigorously strengthen the socialist legal system based on the constitution in order to ensure and promote the success of economic construction and all-round reform, maintain prolonged stability in our country, and perfect socialist democracy. Only by adhering to the four cardinal principles can we eliminate factors of instability and make steady progress in building the Four Modernizations along the correct path. Practicing bourgeois liberalization fundamentally runs counter to the people's interests and historical trends and will certainly be firmly opposed by the broad masses of people.

ULANHU ADDRESSED CPPCC NEW YEAR RECEPTION

OW011221 Beijing XINHUA Domestic Service in Chinese 0720 GMT 1 Jan 87

[Text] Beijing, 1 Jan (XINHUA) -- Speech at a New Year's Day reception of the CPPCC National Committee.

[By] Ulanhu

(1 January 1987)

Dear Friends, Comrades:

Today we gather here like a big family to celebrate New Year's Day. On behalf of the CPC Central Committee and the State Council, I extend greetings and wish a happy New Year to the democratic parties, nonparty personages, and all patriots, as well as to the people of all nationalities in the country, the compatriots in Taiwan, Hong Kong, and Macao, and Chinese nationals residing overseas.

The year just ended, 1986, was a year of fruitful achievements on all fronts. First of all, we achieved a sustained, stable and balanced growth in our national economy, with the total industrial output value topping the previous year by 8.7 percent. The output of grain increased by 20 billion jin due to another year of bumper harvests. On the basis of economic development, the living standards of most urban and rural residents continued to show improvement. Second, after exploration in various fields, we took a new step in the economic structural reform, focused on the urban economy. Third, a programmatic document on building a socialist spiritual civilization was adopted by the 6th Plenary Session of the 12th CPC Central Committee. Concrete arrangements are being mapped out to implement the document. Remarkable progress was made in improving party style and in party rectification at the grass-roots level. Fourth, a solid job was done to promote socialist democracy and strengthen the legal system. Fifth, we also achieved progress in national defense building and foreign affairs work. This was the eighth year, since the 3d Plenary Session of the 11th CPC Central Committee, that the country was marked by political stability and unity, and achieved a sustained, steady, and balanced economic growth. These 8 years have been the best years since the founding of the country. The tremendous achievements, which did not come easily, were the fruits of diligent labor of the people of all nationalities in China, working hard and perseveringly with one heart and one mind under the party leadership. We salute the workers, peasants, PLA soldiers, intellectuals, and all laboring people and patriots in the country, who have made active contributions. We also salute all democratic parties and patriots with no party affiliations, who have always shared weal or woe and sincerely cooperated with us in making valuable contributions to developing the excellent situation.

Our economic and social development has progressed at a relatively fast and smooth pace over the past 8 years basically because we persist in making reforms and opening to the outside world, while upholding the four cardinal principles, steadfastly taking the road to build socialism with Chinese characteristics. Without reform and opening to the outside world, the situation would not be excellent today. Despite problems and difficulties confronting us, the large number of cadres will accumulate experience and the masses will build up their adaptability to the reform and opening to the outside world. As long as we persist in making reforms and opening to the outside world, we will definitely be able to overcome all difficulties and enhance the present excellent situation. Adherence to the four cardinal principles is the basic guarantee for smooth progress in reform and opening to the outside world. Reform and construction can succeed only under party leadership. Herein lies the fundamental historical experience and characteristic of the Chinese revolution. Words and conduct denying the party's leadership and advocating bourgeois liberalism are basically against the interests of the people and the historical trend, and will surely meet with the resolute opposition of the people. We will persistently advance along the road to build socialism with Chinese characteristics.

This year will be the second year of the Seventh 5-Year Plan. Shouldering a heavy task in economic construction, structural reform, opening to the outside world, building spiritual civilization, and work in other fields, we should further heighten our spirit and redouble our efforts in order to promote all reform measures and do a solid job in the work of all fields. The economic work and reform for this year should be focused on building up strength for further agricultural development, and invigorating state-run large and medium-sized enterprises by boldly exploring ways for separating the ownership from the powers of management. At the same time, efforts should be made to continue the building of socialist spiritual civilization and strengthening of socialist democracy and the legal system. Currently, a lively political and ideological education, based on the actual thinking of cadres and ordinary people, should be conducted on all fronts to uphold the four fundamental principles and resist the ideological trend of bourgeois liberalism.

China is at an important time of making reforms and opening to the outside world, in which stability and unity are especially needed. We trust that all people who love the motherland and support the reform will conscientiously safeguard the political situation of stability and unity and contribute their share to enhancing the excellent situation. We also hope that all democratic parties and people with no party affiliation will make frank and sincere criticisms and suggestions for various undertakings of the state, thereby stepping up mutual supervision in jointly building our socialist motherland.

In the coming new year, we will also continue to work for the great undertaking of motherland reunification based on the idea of "one country, two systems." The compatriots in Taiwan, Hong Kong, and Macao, as well as Chinese nationals residing abroad, are all descendants of Yan Di and Huang Di. It is hoped that they will continue to contribute to the motherland's reunification and the regeneration of the Chinese nation.

Friends and comrades: Let me wish you once again a happy New Year and good health in the coming new year!

#### LIAOWANG REVIEWS 1986 ECONOMIC SITUATION

HK310855 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 52, 29 Dec 86, pp 3-4

[Article by Yuan Mu (5913 2606): "China's Economic Situation in 1986"]

[Text]

I.

The year 1986 is the first year of the Seventh 5-Year Plan in China. This year's situation in economic development is certainly a question in which many people have an interest. The first months of this year, the growth rate of industry became too low and the economic results in industry were not good enough. In addition, we are not certain whether agricultural production, especially grain production, will increase or not. Many people were worried about this state of affairs and had some misgivings about the policies and measures for construction and reform. Now the end of the year is drawing near. How is our current economic situation? A correct analysis and understanding of this question is undoubtedly of great importance for us to carry out the correct principle and policies in order to ensure the continuing development of the entire national economy and to ensure the smooth fulfillment of the Seventh 5-Year Plan in an all-round way.

II.

When assessing the 1986 economic situation, we should not separate it from the development situation and tendency in the past few years. Since the 3d Plenary Session of the 11th CPC Central Committee, especially since the Sixth 5-Year Plan, due to the smooth advances of the all-round reforms, the economy in our country grew at an average annual rate of 10 percent, and the major economic ratios were also improved year after year. The vigorous development of construction in all fields and the substantial improvement of the people's living standards were unprecedented after the founding of the people's republic. A gratifying situation of vigorous development existed in the whole country. However, as the good economic situation continued to develop for many years running, the phenomenon of pursuing an unrealistically high growth rate in economic construction appeared again. All localities and departments were going all out to develop construction in all fields.

In the fourth quarter of 1984 and a certain period afterward, the economic growth rate became too high; the scale of capital investment excessively swelled; the consumption fund also increased too rapidly; the national income was overspent; the balance of credit was upset to a serious degree; the foreign exchange reserve decreased sharply; the shortage of energy, raw materials, and transport facilities became more serious; and economic relations between various quarters were rather strained. Such an economic "overheating" which went against the objective regularity of economic development had caused some serious consequence and might further worsen the economic situation. If this tendency was not promptly checked, we might be forced to carry out another round of large-scale economic readjustments, and the all-round reforms would be set back. Therefore, the central authorities put forth the principle of strengthening and improving overall control in economic development and the principle of "consolidating, digesting, replenishing, and improving" the current reform measures so as to deal with the above-mentioned state of affairs.

## III.

When the above two principles were put forth, some localities, departments, and enterprises did not quite understand their necessity and significance. Especially, they were doubtful of the principle of strengthening overall control. They asked why money supply was to be tightened under such a good situation. Many people did express such doubts at that time. Now, through our practice in 1986, many facts have fully proved the correctness and necessity of the two principles, and the implementation of these principles has brought about good results. What are the main facts from which we draw this conclusion?

First, the development of industrial production has become normal. In the second quarter of 1986, industrial production in the whole country began to grow at a normal rate, thus freeing itself from the overspeed growth pattern in 1985 and the slow growth pattern early this year. The statistics between January and November and the reliable forecast for December show that our country's total industrial output value this year will increase by 8.7 percent to 9 percent. This is a satisfactory growth rate, not too high nor too low. The target of the annual plan will be successfully achieved.

Second, the rural economy has continued to develop. The output of rice and other grain crops harvested in summer increased by more than 4 million tons. This is that we have already achieved. According to the estimates of all quarters concerned, this year's total grain output may increase by more than 10 million tons. The output of cotton may be slightly lower than last year. The production of meat, fruit, and aquatic products is expected to increase by big margins. Substantial developments have also been made by industry at the township and village levels.

Third, in general, the ratios between agriculture, light industry, and heavy industry are appropriate. A good balance between light and heavy industries in the industrial growth, with the grow rate of light industry slightly higher than that of heavy industry. It is expected that the total agricultural output value will increase by 4 percent, and the rural total social production increase by 10 percent.

Fourth, commodity transactions on markets are stable and brisk. The total volume of retail sales in society is expected to increase by 15 percent over last year. The supply of most goods is normal, but some commodities are still in short supply, although the scope of such goods is narrowing. The general level of retail prices has risen to a certain degree, but the rise is moderate by a smaller margin than last year.

Fifth, the state of import and export trade has been further improved. Export has increased, and unnecessary import has been restrained. This has led to the reduction in trade deficit. Foreign exchange income from such non-trade fields as tourism, contracting foreign projects, and labor service export has also increased. Of course, the increase in losses incurred in foreign trade is a problem that we must not neglect.

Sixth, although the scale of capital investment, especially that in capital construction, in entire society, remains too large, the scale of capital construction within the state budget has been basically brought under control. Key projects have been better ensured. Now the main problem is that capital construction handled by localities, department, and enterprises with their own funds have not been effectively controlled. Although the overgrowth in the consumption fund has not been completely overcome, things in this regard have been restrained to a certain extent as compared with the situation last year. The overspending of the national income has been reduced.

Seventh, the livelihood of urban and rural residents has been improved continuously. Although prices still rose to a certain degree, the average growth rate of urban workers and rural peasants is still higher than the growth rate of prices. If that was not the case, or if the price rise had offset the growth in the people's incomes, how could we explain the fact that the savings of the urban and rural residents still increased by millions of yuan over last year, while the sale of food, clothing, industrial goods for daily use, and household electrical appliances increased by a big margin? It is certain that the purchase power of urban and rural residents has actually grown stronger.

In general, the continuing efforts to strengthen and improve overall economic control this year have achieved good results. The national economy can now develop steadily. The contradiction between total supply and total demand caused by the economic "overheating" and the phenomenon of overspending the national income have been mitigated and solved. This year's economic situation is rather good.

#### IV.

Our country is now undergoing major changes brought about by all-round reforms. As Premier Zhao Ziyang pointed out in his speech at the NPC session last March, the economic development strategy, the economic structure, and foreign economic relations of our country are undergoing major strategic changes of far-reaching historical significance. When assessing the economic situation, we must make realistic analysis and see whether our work in construction and reform this year is developing in a manner favorable to the accomplishment of the strategic changes. In general, our conclusion on this issue can just be positive, and cannot and should not be negative.

-- On the change in the economic development strategy: We should particularly point out here that marked results have been achieved in the implementation of the principle that "economic construction relies on science, technology, and education; while science, technology, and education should serve economic construction." We develop our science and technology simultaneously in two aspects. On the one hand, we develop advanced and new technologies; on the other hand, we popularize the technologies which require small investment and can achieve quick economic results so as to promote the technological transformation of our traditional industries. This method is called "grasping the two ends to bring along the middle." This year, we have made advances in opening the technology market, transferring technologies on a compensative basis, and promoting the reasonable movement of technological personnel. [paragraph continues]

We have also formulated and carried out the "Spark" program which will effectively turn scientific research achievements into direct productive forces. Our educational work has also achieved good results and made advances in popularizing 9-year compulsory education, continuing the reasonable adjustment of the structure of secondary education, developing vocational education, and gradually improving the quality of higher education and adult education.

-- On the changes of the economic structure: Through the implementation of the principle of "consolidation, digestion, replenishment, and improvement," our reform measures adopted in the past few years have been basically consolidated, thus laying a solid foundation and creating favorable conditions for the adoption of new reform steps in the future. Meanwhile, the reform of the labor system in all-people owned enterprises where new workers are hired on a contract basis and the expanded pilot schemes of reforming the enterprise leadership system on the basis of perfecting the manager responsibility system have both played a great role in improving the enterprise internal management structure and invigorating the enterprises; horizontal economic associations have been widely developed, thus further breaking through the old management structure which hindered the development of productive forces; the reform of the ownership structure in the national economy and the reform of the management forms in state-owned enterprises have deepened the entire economic structural reform; gratifying progress has also been made in the pilot schemes of reforming the monetary structure and seeking a new road for developing the socialist commodity economy. All this fully shows that some people's assertion that "this year's reform is in an across-the-board retreat" is completely groundless.

-- Our foreign economic relations are changed into an outwardly oriented structure which can make full use of international exchanges: Through summing up experience we gained in the past few years, we have deepened our understanding of the issues of arousing the initiative of all parties concerned in increasing exports, bringing the advantages of the coastal open cities and open areas into better play, building up the capacity of earning foreign exchange through export and the outwardly oriented economies in the special economic zones, creating better investment environment to attract more foreign investors to run joint ventures, cooperation enterprises, and enterprises solely owned by foreign investors in China and to usher in more foreign funds and advanced technologies. We have formulated some regulations and adopted some measures to ensure the correct implementation of the policy of opening up to the outside world. All this will enable us to break new ground in our foreign economic relations and will achieve new results.

Undoubtedly, all these developments in the three aspects not only have helped maintain the momentum of continuing economic development this year, but are also important factors favorable to the long-term economic development in our country.

V.

While correctly assessing the positive factors in this year's economic development as well as in the long-term economic development, we should also soberly notice: The contradiction between the total supply and the total demand has merely been mitigated rather than thoroughly solved; the phenomenon of overspending the national income has merely been restrained rather than completely eliminated. In other words, although the negative factors in the national economic development have been reduced as compared with the serious consequences caused by the economic "overheating," they still exist and have not been completely eliminated.

In particular, we should notice such a fact: the scale of the state budget has been enlarged by the temporary economic "overheating." As now the "overheating" is gradually subsiding, the state revenue is also affected due to the reduction in some inconstant incomes. In views of this state of affairs, the state has taken some retrenchment measures to reduce expenditure and increase revenue, but some measures cannot take effect in a short time to change the financial conditions. Meanwhile, the expenditure items that were once expanded cannot be reduced again. Plus some other objective and artificial factors that cause increases in expenditure or decreases in revenue, there may be some deficit in the state's current account this year. Many knowledgeable economists hold that the economic practice in our country and other countries all shows that the appearance of some financial deficits is not a terrible thing. The financial difficulties in a good situation give us an important message that we must not neglect. That is, we should continue our efforts to eliminate the negative influence of the economic "overheating" and continue to prevent another round of economic "overheating," and we must pay close attention to the unstable factors in our economic development and must not take them lightly.

## VI.

Of course, the new problems and new difficulties in our economic development are just problems and difficulties appearing in the process of advances. That is, they emerged against the background of sustained economic growth rather than a background of economic recession and serious decline. Therefore, we should have full confidence in dealing with these problems and difficulties in the process of advances.

HU YAOBANG PRAISES PETROLEUM CORPORATION WORKERS

HK020905 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 1 Jan 87

[Text] Today, (Wu Fenzhong), a reporter from this station, learned from a department concerned in the Maoming City people's government that on New Year's Eve, Hu Yaobang, general secretary of the CPC Central Committee, after reading a report on Maoming Petroleum Industry Corporation carrying out reform and construction and realizing a new outlook during 1986, praised the corporation, saying: The workers of the Maoming Petroleum Industry Corporation have done a great deal of work.

On New Year's Day last year, Comrade Hu Yaobang inspected Maoming Petroleum Industry Corporation and encouraged the workers to have a new outlook this year. Over the past year, cadres and workers have whipped up an upsurge in creating a new outlook and vying with each other to make contributions and there has been further improvements in all aspects of work. The amount of crude oil processed for the whole year recorded an increase of 12.8 percent over the preceding year and the gross industrial output value increased by 12.43 percent. The amount of profits and taxes increased by 4.3 percent. Foreign exchange earned from oil and industrial wax products exports amounted to 130 million yuan. Last year, this corporation was assessed as an advanced unit of the China National Petro-Chemical Corporation in material management, as a national unit of first grade quality, and as a Guangdong provincial unit of first grade energy balance [nengliang pingheng].

NANJING RESOLVES TO MAKE RULES ON DEMONSTRATIONS

OW010805 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 28 Dec 86

[Text] The 28th Session of the 9th Nanjing City People's Congress Standing Committee opened today. After discussion, the session unanimously adopted a motion jointly submitted by 15 committee members, including (Diao Jiaxiang), on formulating regulations related to parades and demonstrations in Nanjing City and adopted a resolution to this effect.

During the discussion, the committee members said that they understood the young student's would give top priority to consolidating and developing the overall situation of stability and unity, bear firmly in mind the four cardinal principles, and remember their responsibility to study hard for the rejuvenation of the Chinese nation.

Standing Committee members (Jiang Xiongfei) and (Pan Changwen) said: At present, some students are demonstrating in the streets calling for intensifying ongoing reforms and accelerating the pace of democratic construction. Their enthusiastic concern for affairs of state is understandable. However, their style and method are appropriate. As things stand, they have hampered public order and impaired other people's legitimate rights and freedom. Their activities have also provided an opportunity for a small number of unlawful elements to make trouble and carry out sabotage. The big-character poster, called a form of democracy, is not socialist democracy. It can only lead to anarchism, which if spread unchecked, will bring catastrophe to the people and state. The history of the Cultural Revolution has born this out. The abolition of the constitutional stipulation concerning the four bigs by the Third Session of the Fifth NPC in May 1980 conforms to the wishes of the vast number of the people.

Committee member (Li Qiuyang) said: Developing a high degree of socialist democracy requires a gradual process. This problem cannot be solved by good intentions, an act of impulse, crude methods, or extreme actions. Summing up the experience and lessons of the Cultural Revolution, our party and people have adopted vigorous measures and steps to promote socialist democracy and strengthen socialist legality. We must, under party leadership, accelerate this process step by step.

Committee member (Zhou Yuhua) said: As a member of a democratic party, I am relatively more knowledgeable about the system of multiparty cooperation under the leadership of the CPC. We want stability and unity and we should cherish the current hard-earned excellent situation of stability and unity.

Committee member (Lan Fuxiang) said: I am an old intellectual. Looking back at the lifetime of frustrations I have experienced, I cherish the social situation of stability and unity that enables me to do some work and publish articles. Young students want the nation to develop faster and their enthusiasm is laudable. However, we cannot depend on enthusiasm alone. We must put the general interest first, study hard, and increase our knowledge in order to make more contributions to the state in the future.

Committee members (Chen Shouyi) and (Guan Changxiang) said: Only stability and unity can provide the opportunity for every citizen to utilize his intelligence and wisdom fully. It is not easy for youths to enter college. Both teachers and parents have expended a lot of energy for them. Young students should exercise their democratic rights in a correct way, value their time, exert themselves, and resolve to be useful persons.

Chairman (Li Zhi) called on the city congress deputies and standing committee members to take the lead in earnestly studying related RENMIN RIBAO editorials and important articles during the session, actively publicize the Constitution and relevant laws, help the students distinguish right from wrong with a clear-cut stand, take an active interest in their healthy growth, and make active contributions to promoting the excellent situation of stability and unity, reforms, and construction.

#### ANHUI POLICE ARREST TWO EVILDOERS IN WUHU CITY

OW010615 Hefei Anhui Provincial Service in Mandarin 1100 GMT 31 Dec 86

[Text] Two lawless people (Yuan Shanting) and (Ma Zhongxing) infiltrated student ranks to stage demonstrations, stir up trouble, and disrupt public order. They were held in custody by the Wuhu Public Security Bureau for disrupting public order. (Yuan Shanting) is a man working for the joint railway checkpoint in Wuhu, while (Ma Zhongxing) is a worker in the (Shengguan) Sector of the Wuhu Railway.

On the evening of 27 December, college students in Wuhu City took to the streets to stage a demonstration. Both (Yuan Shanting) and (Ma Zhongxing) sneaked among the demonstrators. When they arrived at the city's Public Security Bureau on West Beijing Road, they saw a tractor by the side of the road. (Yuan) and (Ma) incited the students to overturn it. They said: We are not afraid. We shall do it here in front of the public security bureau.

In the vicinity of the post office, near the middle school under the administration of the Anhui Teachers University, the two men repeatedly incited the demonstrators to attack cars. When they arrived at the city's Workers' Palace of Culture, they shouted: Let's enter the palace and go all the way up to the sixth floor! They also incited the students to sit in silence in front of the city government. During the student demonstration, (Yuan Shanting) flirted with two young women who had sternly condemned the demonstrators.

At 0200 in the early morning of 28 December, the Wuhu City Public Security Organ took (Yuan Shanting) and (Ma Zhongxing) into custody on the basis of articles 5 and 10 of the Regulations of the People's Republic of China on Penalties by Detention for Disrupting Public Order, after it had accumulated conclusive evidence of their crimes.

#### JIANGSU VICE GOVERNOR SPEAKS AT STUDENT FORUM

OW310025 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 29 Dec 86

[Excerpts] Today the provincial government invited some students of 10 higher institutes of learning in Nanjing City to a discussion meeting and exchanged views with them on recent street demonstrations. The Nanjing University student representative said most of the students disapproved of some students demonstrating on the streets and putting up big and small character posters. Patriotic college students should learn to use normal channels to express their views and thinking. The kind of democracy and freedom we should cherish is not bourgeois liberalism and anarchism but socialist democracy and freedom with its premise adhering to the four basic principles.

The student representatives from Nanjing Institute of Technology said street demonstrations and putting up big and small character posters confused students' thinking and greatly affected their study. [passage omitted]

Students taking part in the discussion meeting offered many good suggestions to improve work.

Vice Governor Yang Yongyi attended the discussion meeting. He said: The party and the state have placed much hope on college students, who should concern themselves with affairs of state. Views should be expressed through proper channels. It is wrong to put up big character posters. Demonstrations and rallies are not good methods either. The most important task for students now is to study, where they should concentrate their energies. Only with good knowledge can they play a role in reform and building the four modernizations.

#### JIANGXI UNIVERSITY STUDENTS CALL FOR STABILITY

OW020510 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 31 Dec 87

[Text] After studying the RENMIN LIBAO editorial "Cherish and Develop the Political Situation of Stability and Unity," seriously discussing the editorial, and doing some hard thinking, eight students of Jiangxi University's Journalism Department -- Jin Yu, Liu Ou, Chen Tao, Sun Zilong, Zhang Chi, Wang Wanzhou, Long Xirui, and Li Haizhou of the 1984 class -- jointly wrote a letter to college students across the country on 29 December. In the letter, they said:

We eight students, staying in the same dormitory of Jiangxi University, are concerned about the country's future and the nation's destiny just as you are. When we heard the news that a small number of college students has taken to the streets to demonstrate, we did some hard thinking and seriously discussed it. We have our views, and we deem it necessary to put them forward and to discuss them with all of you.

After experiencing some 30 years of difficulties as well as twists and turns, our country and people embarked on a road of sound development. Reform has brought about tremendous economic development. Practice shows that economic reform needs political stability and unity. We should realize that the situation of political stability and unity has not come easily; it has come about at great cost and through struggle by several generations of people. People shed their blood or even laid down their lives in order to build a beautiful society. Soldiers of our age at the front have now shed their blood or even laid down their lives to maintain the situation of stability and unity in which economic construction can be smoothly carried out.

We college students hope that our country will become prosperous and powerful. However, if our actions disturb public order and affect the situation of stability and unity, our state and people will suffer. This absolutely is not what our parents want us to do, and it also runs counter to our ideals. We must not do such foolish things that sadden our own people and gladden the enemy.

Our country is now in a favorable, political environment conducive to reform. In this environment, we should study hard and distinguish ourselves by contributing to the reform. This is what we college students should do.

ZHONGGUO XINWEN SHE ON SHANGHAI STUDENT PROTESTS

HK010829 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1358 GMT 31 Dec 86

[Report by Wen Xiang (2429 4382) and Wang Jian (3769 0256): "Shanghai's Colleges and Universities at the End of the Year"]

[Text] Shanghai, 31 Dec (ZHONGGUO XINWEN SHE) -- At the end of 1986, Shanghai college students are busying themselves in reviewing lessons for the final examinations, and the incident in which Shanghai college students staged demonstrations in the streets a week ago has basically subsided.

On the Fudan University campus, bulletins on New Year balls, year-end parties, additional festive menus of school canteens, and so on, are now occupying the bulletin boards which were full of big-character posters and small-character posters not long ago.

A student told the reporters that this incident is worthy of summing up. With a book on computer theories in his hands, this third-year student of the Mechanics Department is preparing himself for the coming examinations. He joined the street demonstrations of the students of the university for 3 days in succession. When the incident happened, over a half of the students of Fudan University were involved in varying degrees. Looking back now we can see that the participation of some students in the demonstrations was really out of political enthusiasm and that more students followed the marchers to watch the excitement. The student believes that the state will, in fact, meet with many problems during the process of reform and that the college students should possess a sense of social responsibility. However, judged by the effects of the demonstrations, things went contrary to wishes. Therefore, it is necessary to make a cool-headed review.

The reporters also interviewed a responsible person of a department of the university. He holds that this incident merits reflection. Notwithstanding that the university students now are very sensitive to the new things and information, they lack good psychological endurance and cannot make sober judgements in the face of emergencies. In recent years, the university has adopted many specific measures concerning the welfare of students, the democratic management of the university, and other aspects, which were well received by the students. Nevertheless, it seems that more efforts should be made to really understand the demands of the students, learn their state of mind, strengthen the communications with them, and so on. On the evening of 30 December, the students of Fudan University spontaneously held a special seminar for this purpose.

Some university students and teachers in Shanghai generally believe that the reasons for the quick end to the demonstration incident are that most of the students became aware of the danger of being used and the departments concerned adopted a lenient attitude. In the demonstration incident, four students of Fudan University acted radically. After the incident, they proposed on their own to make a self criticism. The university openly expressed that they did not need to do so and that the university will not investigate and affix their responsibility.

At the beginning of the incident, the presidents of Shanghai Jiaotong University, Tongji University, Fudan University, and other universities, respectively held "dialogues" with the students and listened to the opinions and demands of the students. The president of East China Institute of Chemical Engineering personally went to the contingent of marchers in an effort to reason with the students and obtained an understanding with them. Employing a lenient attitude towards the radical actions of some students, Weng Shilie, president of the Shanghai Jiaotong University, patiently talked to the students and finally succeeded in making the students understand that some of their demands just cannot be met by the present strength of the state and the university and see the "social consequences" of the demonstrations. Therefore, they told each other not to take to the streets any more.

The incident has subsided. Some sociologists observed that it is unlikely for similar incidents to happen in the near future and that the extensive social issues exposed by the incident should be seriously considered and studied.

#### ARREST OF SHANGHAI 'COUNTERREVOLUTIONARY' SHOWN

0W011415 Beijing Television Service in Mandarin 1100 GMT 1 Jan 87

[From the "National News Program"]

[Text] According to a Shanghai television station report, the Shanghai Municipal Public Security Bureau recently arrested, according to law, Shi Guanfu, ringleader of the counterrevolutionary organization the Chinese People's Party for the Defense of the People.

Shi Guanfu, a worker at the Shanghai lacquer sculpture plant, plotted to establish the so-called Chinese People's Party for the Defense of the People, which is a counterrevolutionary organization, in October 1986. Later, he repeatedly directed members of the organization to find bases for carrying out activities, absorb more members for the organization, and seek opportunities to steal guns and ammunition. [video shows Shi stepping out of a car under police escort, signing an arrest warrant, and being interrogated by two policemen]

His counterrevolutionary declaration openly claimed that the goal of the Chinese People's Party for the Defense of the People was to topple the CPC. He also designed a seal for the Chinese People's Party of the Defense of the People, and attempted to offer a high price for someone to engrave it; and then he planned to kill the engraver to do away with a witness.

Recently, when a small number of Shanghai college students staged demonstrations in the streets, Shi Guanfu wrongly estimated the situation, was too impatient to wait, and wrote some counterrevolutionary letters of an inflammatory nature. He instigated Shanghai college students to unite with those of Qinghua University in the north, exploit the situation, and resolutely wage irreconcilable struggle against the communist party. In addition, Shi also prepared counterrevolutionary secret liaison signals in an attempt to plot conspiratorial activities on a larger scale. [video shows some manuscripts and the sketch of the seal; a manuscript handbill reads: "In the early days of the liberation and the time when Mao Zedong was still living, it was more stable than it is now. Currently the country is in turmoil, with dark clouds hanging over the good earth of China. No citizen can lead a peaceful life. The people are living in constant fear. In order to save the country, the Chinese people have been discussing ways to free the country from its present difficulties.

"So far, university and college students across the country have made great contributions. Defying severe cold, you have staged demonstrations and waged a fierce struggle against Deng Xiaoping, Li Xiannian, Hu Yaobang, and Zhao Ziyang, who have succeeded and are even more heinous than the Gang of Four. The Chinese People's Party for the Defense of the People supports the demonstrations because you share identical views with our party. The Chinese People's Party for the Defense of the People is resolutely waging an irreconcilable struggle against Deng, Li, Hu, and Zhao in order to overthrow Deng Xiaoping and his ilk. The Chinese people, chained day and night in the jail, want freedom. The people of the whole country rise against the obscurantist policy carried out by Deng Xiaoping and his ilk."]

HANGZHOU SPOKESMAN WARNS 'TROUBLEMAKERS'

OW010748 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 1 Jan 87

[Text] A spokesman of the Hangzhou city government issued a statement on some people's intention to organize gatherings and stage demonstrations in violation of the law, calling on the people in the whole city to heighten their vigilance and guard against the sinister elements. He warned a handful of troublemakers to immediately stop all lawless activities.

The spokesman of the city government emphatically pointed out the following points:

1. A written request must be filed with the public security organ 72 hours ahead of any demonstration or any gathering on any open space along the road. After the request is approved, the demonstration or gathering can then be held according to the designated schedule, at the designated location, and along the designated route. Any one who organizes any demonstration or gathering without a permit, or changes schedule, location, or route without authorization violates the law. The public security organ will affix the responsibility of the offender or offenders according to law, if such illegal demonstration or gathering causes traffic jams, disrupts public order, or affects people's normal life or production.
2. All newspapers and journals, including mimeographed materials, that have not been registered with nor approved by the administrative organs in charge of publication are illegal. It is impermissible to print, sell, distribute or display such newspapers and journals. Big character posters are not protected by law. All organizations and citizens have the right to prohibit the display of big character posters and to remove them.
3. Contacts and ties [chuanlian] between different organizations or between different localities are prohibited. All organizations and citizens have the right to resist any attempt to establish such contacts and ties. Anyone who forces his way into other's organization without permission is punishable as a violator of public order.

The city government spokesman lastly advised those who attempt to organize illegal demonstrations, particularly those who attempt to take advantage of the demonstrations to stir up trouble, to come to their senses and not act willfully. Otherwise, they will be repudiated by the people and punished by law.

The city people's government calls on the people in Hangzhou City to heighten their vigilance, prevent bad people from using the opportunity to make trouble, prevent bad people from using the opportunity to make trouble, maintain the political situation of stability and unity, and make greater achievements in reform and in building the two civilizations in the New Year.

BEIJING TV REPORTS RECENT STUDENT DEMONSTRATIONS

OW010455 [Editorial Report] Beijing Television Service in Mandarin at 1100 GMT on 31 December, "News Hookup Program", contains a 1.5-minute video report on the arrest of an unemployed worker, Xue Deyun, by the Beijing Municipal Public Security Bureau on 30 December for impersonating a student and making trouble during student demonstrations. Shots are shown of Xue being led into a room by two guards and handcuffed after hearing an announcement by a police officer. He is seen signing his name to a warrant. According to the announcer, Xue, in a speech delivered at Beijing University, demanded that the "one party leadership exercised by the Communist Party be abolished."

The same program contains an 1-minute video report on the arrest of (Liu Bin), (Wang Jiajun), and (Chen Deqin) for stirring up trouble during student demonstrations on 25 December and damaging public and private property. Shots are shown of the three young men, handcuffed and flanked by two guards. Pictures of broken windows and a damaged truck are also shown. According to the announcer, (Liu Bin) and (Wang Jiajun) are contract workers from the Nanjing Scientific Research Company, while (Chen Keqin) is a worker of the Nanjing Bedding and Clothing Factory.

The same program contains a 5-minute video report showing PLA men, workers, and students expressing their views on recent student demonstrations in some cities and provinces.

An unidentified PLA man says: "I am a college graduate of the 60's. Students should cherish the fine opportunity to study provided by the state. They should concentrate their efforts on broadening their scientific and general knowledge, which they will need to serve the motherland."

An unidentified worker says: "Students only shout about democracy and freedom, but have no specific goal or concrete demands."

Another unidentified worker says: "Students should not take to the streets and make trouble. They should study hard, cherish the golden opportunity, and maintain the situation of stability and unity."

The same program contains a 1.5-minute video report on an interview with 8 students majoring in journalism at Jiangxi University. According to the announcer, they have written a letter addressing the students of all institutions of higher learning in China. In this letter, they say: "Student demonstrations will not only undermine the situation of stability and unity, but also hamper reforms. We must not do anything which saddens our friends and gladdens our enemies."

Shots of the eight students sitting around the table are shown. An unidentified student says: "The party, the state and the people have created a fine environment in which we can study. We college students should cherish this fine opportunity and make even greater contributions to the party and the people." Another unidentified student says: "We, the eight students here, believe that reforms should be carried out systematically. It is impossible to become perfect overnight, or within a very short period. In carrying out reforms, we need a stable and unified situation. Demonstrations by students in some provinces and cities will only hamper reforms. The situation of political stability and unity is the best since the founding of the nation. We must cherish such a situation."

YANGCHENG WANBAO SCORES DEMONSTRATORS

HK010805 Guangzhou YANGCHENG WANBAO in Chinese 30 Dec 86 p 1

["Street Chat" by Wei Yin (1792 7299): "We Agree They Should Be Investigated in Accordance With the Law"]

[Text] There is neither absolute freedom nor absolute democracy in the world. When you are driving and if you keep going when you come to a red traffic light, then you are extremely "free." But, your "freedom" in this manner has impaired the freedom of the majority of other people. What kind of "democracy" is it if only what you or a few people say counts and if only you or a few people have the right to say and act? Such "democracy" vilifies and distorts the democratic rights. The laws of our country embody the people's interest and will. Both freedom and democracy should be subject to law, otherwise the country and the people cannot enjoy peace. People will understand this reason and feel ill at ease when they review the miserable history of the decade of calamity.

After the "Provisional Regulations Concerning Demonstrations Adopted by Beijing Municipality" were promulgated, a few students of Beijing Teachers University, instigated by some people with ulterior motives, openly violated the regulations and, without asking for approval, stormed into a few universities early yesterday morning and agitated the students there to join the demonstration; others put up reactionary, unlawful big-character posters in the campus of the Beijing Teachers University (a report is carried on page 4 of this paper). Is such "freedom" and "democracy" permissible? If such unlawful phenomena are allowed to stand, the rights of the majority of people to freedom and democracy will be encroached on, the situation of peace, happiness, stability, and unity over the past 8 years will be disrupted, the sacred laws will become a mere scrap of paper, and the country will be thrown into chaos again.

The unlawful deeds of the few people of Beijing Teachers University have run into snags and the evil design of the people with ulterior motives has been foiled. However, the Beijing municipal departments concerned have pointed out that the deeds of the leaders of these people will be investigated in accordance with the law. Fine, they should be investigated! Investigating their unlawful deeds is entirely compatible with the interest of the broad masses of people. Only in this way will it be possible to wipe out the factors of instability and to guarantee the smooth progress of the four modernizations.

BEIJING UNIVERSITY PRESIDENT ON DEMONSTRATIONS

OW010935 Beijing XINHUA Domestic Service in Chinese 1528 GMT 31 Dec 86

[By reporters Zhu Shuxin and Zhang Ruibao]

[Excerpts] Beijing, 31 Dec (XINHUA) -- "Please look at our campus -- how tranquil and lovely it is, as the sun shines on the snow-covered ground. However, 2 days ago, a handful of individuals with ulterior motives organized and stirred up a small-scale commotion. We must expose those who want to undermine the campus tranquillity and disrupt social stability," said Professor Wang Zikun, a renowned mathematician who is the president of the Beijing Teachers University, to the reporters as he looked out the window of his office.

In an interview with reporters as president of the Beijing Teachers University, Professor Wang Zikun said: Early in the morning of 29 December, a few individuals with ulterior motives incited a handful of the university students to stage a demonstration and break into other schools of higher learning. Xue Deyun, the schemer behind the demonstration, has been arrested according to the law. Enlightened by this bad teacher, all students have heightened their vigilance. Some of the students, who were taken in by the demonstration, suddenly realized that there were indeed troublemakers who were trying to deceive people. All teachers and students are indignant at the culprit Xue Deyun. The majority of teachers and students have also realized that class struggle still exists within a certain limit. We must maintain vigilance against the conspiracy of hidden enemies, and wage a resolute struggle against them. [passage omitted]

Professor Qi Gong of the Chinese Language Department, a famous calligrapher who has always been known to be an amicable person and have a good sense of humor, said in all seriousness in talking about the few Beijing Teachers University students who staged demonstrations and broke into other schools of higher learning: "I have read today's newspapers. It totally agreed with the spokesman of the Beijing municipal people's government and believe that the masses of people will share my feeling. Going against the popular will, the few people who attempted to stir up turmoil should be told that they cannot disrupt socialist China, today or tomorrow, and that what they do will only land them in jail."

Professor Qi Gong said: "The large number of our young students are fine. But some of them are politically rather naive; and they lack the experience in social practice and the understanding of the chaos created by the 'Great Cultural Revolution.' We should care about, guide, and teach them so that they can grow up to become a new generation of people contributing to the motherland's modernization."

#### BEIJING RESIDENTS WARNED AGAINST 'CLASS ENEMY'

OW010804 Beijing Domestic Service in Mandarin 2230 GMT 31 Dec 86

[Text] BEIJING RIBAO on 1 January frontpages a New Year's message from Mayor Chen Xitong, on behalf of the Beijing Municipal CPC Committee and the municipal government to the residents of the municipality.

The message says: Over the past year, we have explored ways for and deepened, step by step, reform in the work of various fields, and achieved an auspicious beginning for fulfilling the gigantic Seventh 5-Year Plan. We shoulder a glorious but arduous task in the coming 1987, a year for further deepening the reform.

The message says: A handful of elements hostile to socialism are trying to agitate the masses in an attempt to fan up evil winds and stir up trouble in the capital. We believe that all residents in Beijing, including the large numbers of youths and students, will definitely heighten vigilance and expose and frustrate schemes of the class enemy.

#### BEIJING STUDENTS RALLY IN TIANANMEN SQUARE

Police Cordon Square

HK010234 Hong Kong AFP in English 0220 GMT 1 Jan 87

[Text] Beijing, Jan 1 (AFP) -- Several hundred police Thursday sealed off most of Tiananmen Square in the centre of the capital in an apparent bid to block any demonstration by students who have been campaigning around the country for more democracy and freedom.

The only people allowed through the cordon were about 400 high-school pupils who started lining up on the square around 8.30 a.m. (0030 GMT) for an official ceremony marking the beginning of the new calendar year.

No groups of students could be seen in the area of Tiananmen, correspondents said. Some bystanders were there, a good distance away from uniformed police who had cordoned off about three quarters of the square with each man standing about three metres (10 feet) apart. "We are going to celebrate the new year," said one of the high school pupils before he went off to join fellow pupils at the monument to the heroes of the Chinese people which stands in the middle of Tiananmen.

There has been a spate of student protests urging greater democracy and freedom -- specifically freedom of the press -- in at least 14 Chinese cities since early December.

Wall posters at Beijing University have called on students to assemble on New Year's Day in Tiananmen. "It will be an assembly rather than a march," one poster had said in an apparent effort to persuade students that the protest would not be illegal under temporary regulations imposed last week banning protests in four key places, including the vicinity of the Great Hall of the People alongside the square.

A spokesman for the Beijing municipal government, quoted on the front pages of national newspapers Wednesday, warned that "those who dare to make trouble in Tiananmen Square will be severely punished." Any attempt to "eliminate the Communist Party leadership" would be "crushed," the unidentified spokesman said.

Late Wednesday hundreds of Beijing University students braved the cold to hold an open-air debate on whether to demonstrate. Young men were seen urging a crowd of about 300 in the centre of the campus to drop plans for the assembly and the students appeared divided about whether to turn out or not.

#### 500 Students Gather

HK010334 Hong Kong AFP in English 0329 GMT 1 Jan 87

[Excerpt] Beijing, Jan 1 (AFP) -- About 500 students gathered on the capital's Tiananmen Square Thursday and sought to move past a police cordon into the centre of the huge square, witnesses said.

The students gathered around 10.45 a.m. (0245 GMT) after several hundred uniformed police had cordoned off about three quarters of the square. The students, who were shouting no slogans and carrying no banners, gathered in the northern part of the square and correspondents on the scene said that the police tried to prevent them from moving into the centre of Tiananmen. Police also took still photographs and filed the students. [passage omitted]

#### Demonstrate on Changan Avenue

HK010532 Hong Kong AFP in English 0526 GMT 1 Jan 87

[Excerpt] Beijing, Jan 1 (AF) -- At least 3,000 students demonstrated on a main Beijing avenue Thursday chanting "We want liberty," "We want democracy," eyewitnesses said.

The protest in Changan Avenue came after several hundred students had broken through a police cordon to get to the centre of the capital's Tiananmen Square in defiance of an official threat of severe punishment for any demonstrators. Police arrested four people after the Tiananmen incident, eyewitnesses said.

The protesters, who were accompanied by several thousand bystanders, then gathered on the avenue chanting "Press freedom," and waving banners proclaiming "Let us uphold the democratic reforms." The crowd continued to grow. The Changan protesters, who gathered at about 12.50 p.m. (0450 GMT), also chanted "Hello Deng Xiaoping," a reference to China's senior leader. Police in a jeep stationed in front of the protesters were taking video film of the incident, eyewitnesses said.

Several hundred students had earlier managed to break through a police cordon and get to the centre of Tiananmen Square, while police took video film and still photographs and made loudspeaker appeals urging the demonstrators not to disturb public order, eyewitnesses said. The police however managed to prevent about 2,000 other people, apparently both students and passers-by, from breaching the cordon, eyewitnesses said. Some of those who broke through the cordon said that they included students from all Beijing's major universities. They gathered near the monument to heroes of the Chinese people at the centre of the square.

The students had gathered in the northern part of the square at about 10.45 a.m. (0245 GMT) after several hundred uniformed police had cordoned off about three quarters of the square. [passage omitted]

#### Police Strike, Arrest Students

HK010801 Hong Kong AFP in English 0759 GMT 1 Jan 87

[Excerpts] Beijing, Jan 1 (AFP) -- At least 3,000 students demonstrated in central Beijing Thursday chanting "We want liberty" and "We want democracy," in defiance of official threats of severe punishment, eyewitnesses said. Foreign correspondents saw police take at least 20 people away in police buses, and had earlier seen them detain about a dozen people. Another correspondent said he saw police hit two demonstrators.

Thursday's protest followed a spate of student demonstrations calling for more democracy and freedom which have swept more than a dozen Chinese cities in the past three weeks. Although it involved fewer people than protests in Shanghai, it was more significant because it took place in the capital's Tiananmen Square, the scene of historic gatherings in contemporary Chinese history, analysts said. [passage omitted]

The protesters finally dispersed at about 1:30 p.m. (0530 GMT), and only a few small groups of people were still gathered around the square. [passage omitted] One worker who was at the square said that all workers in his unit had been urged not to join any demonstrations, and a taxi driver said that all of his worker friends had been given a similar warning in recent days. [passage omitted]

Students accosted police at the square, saying "you are the people's police, and you should be on our side," and accused the authorities of wanting to make the square "a political forbidden square."

A PEOPLE'S DAILY new year commentary which appeared on the front page of all national newspapers warned "we must never forget to struggle against a handful of people who are hostile to and are sabotaging China's socialist system."

"The democracy the Chinese people need today can only be the socialist democracy known as people's democracy, rather than the individualist democracy of the bourgeoisie."

Some people connected with ideology and culture had taken advantage of China's open door policy to express opinions which had opened the way to a tendency to bourgeois liberalisation in some sectors, the article added. It did not identify the culprits, but said that they had expressed opinions opposed to the four basic principles of the constitution: to follow Marxism-Leninism and the Thoughts of Mao Zedong the leadership of the Communist Party, the people's democratic will and the socialist path. [passage omitted]

#### Minor Confrontations Occur

0W011129 Tokyo NHK Television Network in Japanese 1000 GMT 1 Jan 87

[Text] A rally to demand democratization planned by students and scheduled to be held at Tiananmen Square in Beijing today virtually fell through as it was blocked by strict precautions taken by the public security authorities, although minor confrontations did occur.

[Begin video report by Yuji Ozaki, in Beijing; video shows empty square surrounded by police, crowds milling around the perimeter, police restraining young people] Early this morning on New Year's Day, Tiananmen Square was put under heavy guard by thousands of policemen. It was the first time since the Tiananmen Incident in Tiananmen Square 11 years ago that the square was put under such heavy guard. In defiance of the measures taken by the authorities to virtually ban demonstrations, the students ventured to call for today's rally for no other reason than to convey their demands to the whole country by starting something at Tiananmen Square, which is regarded as a symbol of China.

This morning there were some minor confrontations between the public security officers on guard and hundreds of students gathered at the square. However, the students' movement was eventually brought under complete control. The students strongly opposed the authorities' obstructionism stating that they had been persistently demanding democratic reforms under the socialist system.

To this, the New Year Day's issue of RENMIN RIBAO states in its editorial that the bourgeois ideology of liberalization should be opposed, thereby intensifying its criticism that the student movement is illegal.

As long as both sides continue to entertain differing views, the student movement demanding democratization is likely to remain active in China for some time to come. [end recording]

## Illegal Demonstration Dispersed

OW011110 Beijing XINHUA in English 1105 GMT 1 Jan 87

[Text] Beijing, January 1 (XINHUA) -- Several hundred students abruptly held a demonstration this afternoon along a section of the street east of TianAnmen Square in central Beijing and the police took away several troublemakers on the spot.

A metropolitan official told XINHUA that the demonstration was illegal, as its organizers has not obtained the required approval.

"The major troublemakers will be investigated according to law to have their responsibility affixed," he said.

The students gathered near the square around 12:50 a.m. [as received] some of them shouted slogans such as "freedom to demonstrate," and "cnace the ten-article regulations" and displayed streamers with slogans written on them.

The ten-article regulations, issued last month by the municipal people's congress standing committee, stipulate that the government protects demonstrations held by citizens according to law.

Nevertheless, the organizers of a demonstration must apply in advance for permission, and report the purpose of the demonstration, its routes, as well as their own names, addresses and occupations.

Today's demonstration was staged at the instigation of a few ill-intentioned people, the official said, adding that a few people taking the lead in making troubles today were taken away by police for education and interrogation.

For a while, the demonstrators blocked the traffic on one of Beijing's busiest thoroughfares, attracting crowds of on-lookers. They began dispersing at about one o'clock.

This morning, about 4,000 children and other youngsters gathered in Tian Anmen Square and held a ceremony in front of the Monument to the People's Heroes in an activity named, "For The Beautiful Tomorrow of China."

Last night, university students and teachers in Beijing held various activities to celebrate the new year. Some of the celebrations lasted into this morning.

## Release of Classmates Demanded

HK011415 Hong Kong AFP in English 1413 GMT 1 Jan 87

[Text] Beijing, Jan 1 (AFP) -- About 2,000 Beijing University students staged a march on their campus here late Thursday to demand the release of classmates detained in a city centre protest earlier in the day, eyewitnesses said. The students shouted "return our comrades" in what march participants said was a reference to four classmates detained by police during an illegal afternoon protest in Tiananmen Square, a reliable foreign witness said. Students said they might march on the house of the university president or take their protests out into the streets. The atmosphere was described as "cheerful and festive."

## Situation Back to Normal

OW011450 Beijing XINHUA in English 1443 GMT 1 Jan 87

[Text] Beijing, January 1 (XINHUA) -- Tiananmen Square, in the center of Beijing, resumed normal order at around one o'clock p.m. today. At 12:50, several hundred college students staged a short demonstration on a road east of the square.

Snow began falling in Beijing at about three o'clock blanketing the square, creating a beautiful landscape for picture-taking.

## Students Threaten Boycott

HK011525 Hong Kong AFP in English 1520 GMT 1 Jan 87

[Text] Beijing Jan 1 (AFP) -- About 3,000 Beijing University students protested in front of their university president's home here late Thursday demanding the release of 24 classmates detained in a New Years Day protest in the city centre, an eyewitness said.

The students shouted "returned our comrades" and sang The Internationale and the Chinese national anthem as they waited outside the president's home on the university campus for an answer to demands that their classmates be released without reprisals.

Student sources were quoted as saying that University President Ding Shisun had told them he was in touch with Beijing Mayor Chen Xitong and would reply to their demands within two hours (shortly after midnight local time).

Students said they had the names of 24 fellow students who had been taken by police during an unauthorized New Year's Day demonstration in Tiananmen Square and were demanding that they be released without punishment.

Other points in a four point manifesto submitted by the student to the president included no retaliation for participation in other demonstrations, full and objective reporting by the Chinese press on a recent spate of demonstrations, and the threat of a class boycott if demands were not met, the students were quoted as saying.

## Students March to Square

HK011544 Hong Kong AFP in English 1543 GMT 1 Jan 87

[Excerpt] Beijing, Jan 1 (AFP) -- About 3,000 Beijing University students marched from their campus towards the city centre shortly before midnight here Thursday demanding the release of 24 classmates detained in a New Year's Day protest, an eyewitness said.

A large number of policemen were seen at crossroads south of the campus apparently preparing to block the students progress towards Tiananmen Square, several miles away.

Earlier the students gathered on campus in front of the house of their university president shouting "return our comrades" and singing The Internationale and the Chinese national anthem while waiting for answers to four demands they had submitted. [passage omitted]

## Detained Students Returned

OW011839 Beijing XINHUA in English 1831 GMT 1 Jan 87

[Text] Beijing, January 1 (XINHUA) -- The students taken away from an illegal demonstration this afternoon have been taken back to their schools by their respective school leading officials after education or examination, according to the Beijing police authorities this evening.

At the instigation of a few ill-intentioned people, several hundred students held an illegal demonstration along a section of the street east of Tiananmen Square in the center of the city at noon today. The police took away several troublemakers (including some students) from the site for education or examination.

## Students Continue Protests

HK020202 Hong Kong AFP in English 0155 GMT 2 Jan 87

[Excerpts] Beijing, Jan 2 (AFP) -- More than 2,000 students trekked 15 km (9 miles) through snow to central Beijing's Tiananmen Square early Friday and held a protest aimed at obtaining the release of other students arrested there Thursday after a demonstration. [passage omitted]

For two hours, starting at 3:30 a.m. [1930 GMT 1 January] students marched around Tiananmen Square, singing the socialist anthem, The Internationale, and shouting "Long live democracy," "Long live freedom," and "Long live political reforms." A witness said they left in buses brought in by police.

The students were part of an initial group of 5,000 who started out to demonstrate for the release of 24 other students arrested during an unauthorized protest Thursday, but many of whom decided not to continue after police announced that the 24 had been freed.

Those who went on contended that only some of their peers had been freed -- those from Beijing's Beida University, where the protest demanding their release had originated. They agreed to leave Tiananmen Square, students said, to go to Qinghua University -- near Beida -- where, police told them, the students still held would be released.

Police showed great restraint throughout Friday's demonstration, observers said. When the marchers reached intersections, police appealed to them over loudspeakers to turn back, but then let them go on. Several police cars drove slowly behind the students as they trekked through the icy night.

At about 2:00 a.m., at the intersection of two avenues, Beijing University Vice-President Sha Jianxun announced that the 24 had been freed. Most of the marchers turned back and headed for their campus, seven kilometers (four miles) away. But the skeptics among them, believing that only some of the detainees had been released, went on to Tiananmen Square.

About 30 minutes before they reached it, the students went by heavily-guarded Zhongnanhai, residence of China's senior leaders, and shouted energetically: "Long live democracy," "Long live liberty," "We need political reforms."

Despite the bitter cold, once in the square they staged a sit-in at the foot of the Monument to the People's Heroes. [passage omitted]

By 5:30 a.m. the demonstrators, having earlier said they would remain in the square until daybreak, accepted a police offer to be returned to their campuses in buses which had been brought in for that purpose, a witness said.

Two hours later it was not known if all the students arrested Thursday had been released.

#### Release of Detainees Won

OW020757 Tokyo KYODO in English 0748 GMT 2 Jan 87

[Text] Beijing, Jan. 2 KYODO -- An estimated 4,000 students conducted a street demonstration here late Thursday night and won the release of seven students detained for disturbing public order in a separate rally seeking democratic reforms. Most demonstrators returned home or to their schools after the seven were set free. But about 800 students continued the demonstration into early Friday morning and broke a riot police barricade into Tiananmen Square.

This was the second unauthorized rally since the city government imposed regulations December 26, banning street demonstrations without permission.

There were no reports of arrest or violence involving students and police.

The demonstration started at Beijing University at about 10 p.m. Thursday with about 2,000 students taking part. It was organized to protest against public security authorities for detaining the seven students.

Another 2,000 students from the People's University later joined the demonstration. They marched in the student quarters in the capital and headed toward the square, shouting "Return the schoolmates," "Objection to violence" and "Long live freedom."

Students described the latest demonstration as a "big victory," indicating that similar unauthorized action may continue.

#### Students Urge Deng's Support

OW020951 Tokyo KYODO in English 0949 GMT 2 Jan 87

[Text] Beijing, Jan. 2 KYODO -- Students at the People's University here urged senior Communist Party leader Deng Xiaoping in a wall poster Friday to support reformists and students seeking more democracy.

"(Deng) is a supporter of reformists. Regrettably, however, he is also a protector of conservatives," the wall poster said and added, "He is trying to make (the country's reformist programs) successful on the balance of reformists and conservatives."

The poster, titled "Advice to Comrade Deng," described Communist Party General Secretary Hu Yaobang, Premier Zhao Ziyang and Vice Premier Wan Li as leaders of the reformist movement.

Wan, an aide to Deng, was criticized by some students at Beijing University for objecting to the current pro-democracy student movement.

#### Students Return to School

OW020714 Beijing XINHUA in English 0658 GMT 2 Jan 87

[Text] Beijing, January 2 (XINHUA) -- Most students of Beijing University are attending classes or taking their final examination, said an official of the university president's office here this morning.

The school library is packed with students.

About 10 p.m. Thursday, about 2,000 students from Beijing University walked out of the campus, demanding the release of the taken-away students involved in an illegal demonstration earlier yesterday at Tiananmen Square.

On their way the Beijing University Vice-President Sha Jiansun caught up with the students and told them that all the taken-away students had returned to school after being educated by local public security departments.

At this point, the students were broken up into two groups. Some of them wanted to go back to school while others insisted on going to the city proper. From then on, most of the students went back by school buses.

At 3:30 this morning, some 200 students went to the Tiananmen Square. They shouted slogans but did not clash with the police on guard of the square.

They were persuaded to return to school and left the square by bus at 5:30 this morning.

According to today's "BEIJING DAILY", many local workers wrote letters to the newspaper, urging students to treasure the country's stability and unity, and guard against trouble-makers. A worker said, "We went through ten chaotic years, and our country could not afford another disturbance."

One Beijing resident told XINHUA that while the Chinese authorities are taking measures to educate the students, the Voice of America, in its Chinese broadcast this morning, quoted one so-called "independent-minded" American reporter named Stone as saying that he "hopes the Chinese students would not be discouraged" and that the Chinese students demonstrations "have been a comfort to dissidents all over the world."

"What is the VOA broadcast aimed at?" the resident asked.

## 22 Students Freed

HK021332 Hong Kong AFP in English 1322 GMT 2 Jan 87

[Excerpts] Beijing, Jan 2 (AFP) -- The police released Friday 22 students detained in demonstrations for more democracy in central Beijing Thursday, according to one of those detained, as thousands of students marched demanding their release.

A Beijing University student among those detained, who declined to be identified, said he, all 18 of his detained classmates and three students from the neighbouring People's University had been freed shortly after midnight (1600 GMT) on Thursday.

But the fate of others said to have been detained during an unauthorized protest in Tiananmen Square in central Beijing on Thursday, including a teacher and at least three workers, remains unclear.

The Beijing police said Friday that students detained had been freed, but did not clearly say that all had been released and declined comment about the fate of non-students. Previously the official NEW CHINA NEWS AGENCY (NCNA) quoted a police spokesman as saying the students had been released following "education or examination," but gave no figures.

More than 2,000 students marched on Tiananmen Square early Friday shouting "democracy," "freedom" and "long live political reforms," witnesses reported. [passage omitted]

The Beijing University student released from detention said that on top of the 22 students freed Friday, seven others from five Beijing institutions of higher education and a teacher from the western province of Shanxi had been detained during Thursday's protests at Tiananmen Square. An informed Chinese source said three workers had also been detained and that their fate could be harsher than the students'.

"I was in one of the first groups to be released, I don't know what happened to the others," the student said. He said the police had treated the detained students well, permitting them to talk with one another in shared cells. Some received "education" -- lectures about the proper way to behave -- but none was mistreated, he said.

He said he was worried that he could be punished for his participation in the demonstration by being assigned to work in a remote part of China after graduation, but was also re-thinking the proper form of dissent. I don't think there will be any more protests for a while," he said. "It doesn't help to accomplish our goals."

Police have yet to arrest any of the several dozen students detained during a three-week, 14-city spate of student unrest, but seven workers and one unemployed man involved have been charged with criminal offences.

Meanwhile, NCNA criticized the U.S. Government radio station the Voice of America (VOA) for broadcasting remarks encouraging Chinese students to defy a government ban on street protests.

NCNA quoted an unidentified Beijing resident as having said that while the Chinese Government was taking measures to "educate" the students, VOA had broadcast comments by a U.S. journalist saying he hoped the demonstrators would not be discouraged. Student demonstrators have frequently mentioned VOA reports when talking with foreign reporters, and many appear to rely on the station for information about developments in other Chinese cities. [passage omitted]

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Jan. 5 1987